

THIRD-QUARTER 2020 SALES

GOOD RECOVERY WITH SAME-DAY SALES DOWN 4.2%

ROBUST PERFORMANCE SUPPORTED BY BEST-IN-CLASS CUSTOMER SERVICE AND DIGITAL OPERATIONS
CONTINUED DISCIPLINE ON OPEX AND FOCUS ON CASH FLOW MANAGEMENT

→ SALES OF €3,157.8m IN Q3 2020

- On a constant and same-day basis, sales down 4.2% in Q3 20, recovering sharply from -17.7% in Q2 20.
- Gradual improvement, with progressive recovery in Europe and Asia-Pacific, while North America is lagging with very diverging trends between regions/markets.

→ DIGITAL VALUE PROPOSITION IS A BUSINESS ENABLER; DIGITAL REVENUE IN Q3 20 REPRESENTING 20.5% OF TOTAL SALES (INCLUDING 30.6% OF DIGITAL SALES IN EUROPE), UP 261 bps COMPARED TO Q3 2019

→ VISIBILITY STILL TOO LOW TO PROVIDE FY 2020 GUIDANCE, BUT MID-TERM OPPORTUNITIES REMAIN ATTRACTIVE

→ GROUP ACHIEVEMENTS AND PRIORITIES REMAIN BEST-IN-CLASS CUSTOMER SERVICE (NPS IMPROVEMENT), DIGITAL TRANSFORMATION (INCREASE IN DIGITALLY CONNECTED CUSTOMERS), PROFITABILITY MANAGEMENT (COST FLEXIBILITY) AND FREE CASH FLOW GENERATION

Key figures	Q3 2020	YoY change	9m 2020	YoY change
Sales	€3,157.8m		€9,203.5m	
On a reported basis		-7.7%		-10.0%
On a constant and actual-day basis		-3.8%		-8.3%
On a constant and same-day basis		-4.2%		-8.5%
Same-day sales growth by geography				
Europe	€1,793.8m	+0.3%	€5,125.1m	-6.0%
France	€687.0m	+3.9%	€1,868.4m	-9.4%
Scandinavia	€229.5m	+0.7%	€716.3m	+3.8%
Benelux	€184.1m	+2.3%	€565.9m	-0.8%
Germany	€178.7m	+9.4%	€511.6m	+5.7%
UK	€151.8m	-17.0%	€448.9m	-20.3%
North America	€1,053.9m	-12.8%	€3,236.7m	-13.7%
USA	€814.3m	-12.9%	€2,531.7m	-14.2%
Canada	€239.6m	-12.3%	€705.0m	-12.0%
Asia-Pacific	€310.1m	+3.4%	€841.6m	-1.5%
China	€134.4m	+11.2%	€356.9m	+1.5%
Australia	€126.2m	-1.2%	€358.9m	+0.1%

Patrick BERARD, Chief Executive Officer, said:

“During this COVID-19 crisis, I am very pleased at Rexel’s ability to showcase its best-in-class customer service and expanding the offering of digital solutions. Thanks go to our employees who quickly adapted to ensure business continuity working under a regime of high-level sanitary protection requirements. As a result, I am proud of our solid Q3 sales growth which shows a strong recovery from the previous quarter, albeit with very divergent trends between markets and regions. In an environment that remains uncertain, Rexel will continue to be agile and to adapt to the business mix evolution. We will continue to focus on profitability and free cash flow generation, as demonstrated in our first-half results. The benefits of our digital transformation position us to continue our journey as a true leader in providing multichannel solutions for every customer segment.”

SALES REVIEW FOR THE PERIOD ENDED SEPTEMBER 30, 2020

► Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.

SALES

In Q3, sales were down 7.7% year-on-year on a reported basis and down 4.2% on a constant and same-day basis, reflecting recovery in Europe and Asia-Pacific while North America is lagging.

In the third quarter, Rexel posted sales of €3,157.8 million, down 7.7% on a reported basis, including:

- A negative currency effect of €80.0 million (i.e. -2.3% of Q3 2019 sales), mainly due to the depreciation of the US and Canadian dollars against the euro.
- A negative net scope effect of €58.7 million (i.e. -1.7% of Q3 2019 sales), mainly resulting from the disposal of Gexpro Services in the US.
- A positive calendar effect of 0.4 percentage points.

On a constant and same-day basis, sales were down 4.2%, including a positive effect from the change in copper-based cable prices (+0.5% in Q3 20 vs -0.3% in Q3 19). This robust Q3 20 sales performance was the result of our capacity to:

- Ensure business and process continuity with our branch/DC network fully operational to serve our customers.
- Adapt constantly to government restrictions related to the pandemic, including new measures in countries such as Australia, New Zealand, UK, France, Spain, Belgium.
- Leverage our robust digital tools supporting increasing web transactions and new ways of working (home office, teleconferencing...).

More specifically, digitalization has been a key business enabler in the third quarter, as illustrated by the following data points that confirm that our value proposition and organization are becoming increasingly digitalized to favor customer experience and make the organization leaner and more agile:

- In the US, we have launched our single web and data platform for all banners, all offers and all customers. This is a quantum leap in the country's digital transformation.
- Our digital revenue represents 20.5% of sales at group level, up 261 bps versus Q3 19. Europe digital sales are over 30% of the total.
- In France, transactions on mobile devices have increased by 62% compared to last year, following app enhancements.

In 9m 2020, Rexel posted sales of €9,203.5 million, down 10.0% on a reported basis. On a constant and same day basis, sales were down 8.5%, including a negative impact of -0.2% from the change in copper-based cable prices.

The 10.0% decrease in sales on a reported basis included:

- A negative currency effect of €44.2 million (i.e. -0.4% of 9m 2019 sales), mainly due to the depreciation of the Canadian & Australian dollars as well as Norwegian Krone against the euro.
- A negative net scope effect of €144.2 million (i.e. -1.4% of 9m 2019 sales), mainly resulting from the disposal of Gexpro Services in the US.
- A positive calendar effect of 0.2 percentage points.

Europe (57% of Group sales): +0.3% in Q3 on a constant and same-day basis

In the third quarter, sales in Europe increased by 0.7% on a reported basis, with non-material currency and scope effects. On a constant and same-day basis, sales were up 0.3%.

- Sales in **France** (38% of the region's sales) posted solid 3.9% growth, driven by a high level of business continuity and service and strong demand in the Residential & HVAC businesses.
- Sales in **Scandinavia** (13% of the region's sales) were up 0.7%, with positive momentum in Norway, up 3.2%, mainly driven by price increases to offset the impact of the Norwegian Krone's devaluation on imports. Sweden was down 4.0% due to lower demand from medium and large contractors.
- **Benelux** (10% of the region's sales) grew by 2.3%, with Belux (+4.2%) benefiting from a good momentum in the Photovoltaic business while The Netherlands were flat (-0.2%), with a positive residential market offsetting lower renewable energy.
- Sales in **Germany** (10% of the region's sales) posted strong 9.4% growth thanks to a positive trend in our proximity business and better, but still negative, demand in Automotive compared to Q2.
- In the **UK** (8% of the region's sales), sales dropped by 17.0%, mainly due to a difficult commercial project market while proximity is progressing well (Denmans banner up 3.6%).

North America (33% of Group sales): -12.8% in Q3 on a constant and same-day basis

In the third quarter, sales in North America dropped by 21.1% on a reported basis, including a negative currency effect of -5.4% (-€71.9m), due to the depreciation of the US and Canadian dollars against the euro and a negative scope effect of -4.1% (-€55.2m) from the disposal of Gexpro Services. On a constant and same-day basis, sales were down 12.8%, driven by the US and Canada.

- In the **US** (77% of the region's sales), sales were down 12.9% on a same-day basis, with good resilience in the Western part of the country (Northwest, California and Mountain Plains) and in Florida, driven by our proximity business. This positive contribution is more than offset by the market deterioration in larger projects in the commercial and industrial markets, in regions like the Midwest and Gulf, impacted by heavy industries and the Oil & Gas businesses. Lastly, the Northeast has been reorganized, and we clearly see the positive impact of the business selectivity strategy that is being implemented.
- In **Canada** (23% of the region's sales), sales dropped by 12.3% on a same-day basis, mainly from lower industrial demand, especially in the Oil & Gas market. Sales growth improved in September.

Asia-Pacific (10% of Group sales): +3.4% in Q3 on a constant and same-day basis

In the third quarter, sales in Asia-Pacific were up 1.3% on a reported basis, including a negative currency effect of -2.8% (-€8.5m), due to the depreciation of all currencies (mainly the Chinese renminbi and Australian dollar) against the euro. On a constant and same-day basis, sales were up 3.4%.

- In the Pacific (50% of the region's sales), sales were down 3.0% on a constant and same-day basis:
 - In **Australia** (82% of Pacific's sales), sales were down 1.2% thanks to good resilience in the proximity business, broadly offset by the loss of 2 industrial contracts and the partial lockdown in Victoria State (Melbourne area).
 - In **New Zealand** (18% of Pacific's sales), sales dropped by 10.7% impacted by a weak market before elections and partial lockdown in Auckland in Q3 20 (impact -2.7%).

- In Asia (50% of the region's sales), sales posted solid 10.6% growth on a constant and same-day basis:
 - In **China** (86% of Asia's sales), sales grew by 11.2%, mainly driven by our value added in the growing automation segment and by government spending in infrastructure and automation.
 - **India** and **Middle East** (14% of Asia's sales): **India** grew by 5.4%, showing a recovery although the virus remains active in the country. **Middle East** posted a strong performance, up 9.6%.

ACTION PLAN IN PLACE TO MAKE STEP CHANGES IN OUR DIGITAL TRANSFORMATION

Digital transformation is the key pillar of our strategic journey. The Covid-19 pandemic has reinforced our conviction that it was the right decision to focus resources on this initiative, which has allowed us to navigate the current turmoil. We continue to execute our plan diligently with clear actions to improve our 3 digital layers. As an illustration:

- On the data layer, we are progressing well on the standardization of customer segmentation that will notably contribute to the optimization and acceleration of our digital tools and marketing.
- On the transaction layer, we continue to improve our transactional functionalities as illustrated by:
 - Track & Trace in Europe, where we have agreements with our transportation partners and the technology in place to offer the functionality on 80% of our sales.
 - Email to Edi is now live in 7 countries, enabling the automatization of more than 110,000 orders in the first 9 months of 2020 with 750 customers.
- On the predictive layer:
 - Implementation of the branch assortment module in France, now growing in the network.
 - The Customer Churn module is fully reactivated and is showing solid benefits in the recovery path of our customers. This tool is now fully embedded in the "sales routine".
 - The Next Best Offer tool is being tested in France in one branch and one call center.

RATINGS EVOLUTION

During the first 6 months of 2020, priority was given to profitability and free cash flow generation, demonstrating the resilience of our model. We confirm that we anticipate robust free cash flow generation in FY 2020, following strong cash generation since the start of the year.

This resilience has contributed to the confirmation of our long-term ratings (BB by S&P & Ba2 by Moody's) and short-term ratings (B by S&P & Non-Prime by Moody's) during the crisis. Note that, following a change in commercial policy at Moody's, we have asked the rating agency to withdraw the short-term Non-Prime rating.

PRIORITIES FOR THE COMING QUARTERS

This volatile context does not allow us to provide guidance for FY 2020. In line with our H1 results, we will continue to focus on best-in-class customer service, digital transformation, profitability management and free cash flow generation.

With favorable underlying medium-term and long-term drivers for demand in electrical products, even amidst short-term volatility, Rexel is driving its business with a focus on agility, market share gains and fast-growing multi-channel approaches. Rexel is well positioned to capture public spending plans aimed at reducing CO2 emissions or improving energy efficiency.

NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 2.

CALENDAR

February 11, 2021	Fourth-quarter and full-year 2020 results
April 22, 2021	First-quarter 2021 sales
April 22, 2021	Annual shareholders' meeting

FINANCIAL INFORMATION

A slideshow of the third-quarter 2020 sales is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, worldwide expert in the multichannel professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its residential, commercial and industrial customers by providing a tailored and scalable range of products and services in energy management for construction, renovation, production and maintenance.

Rexel operates through a network of more than 1,900 branches in 26 countries, with more than 26,000 employees. The Group's sales were €13.74 billion in 2019.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Ethibel Sustainability Index Excellence Europe, Euronext VigeoEiris Europe 120 Index, Dow Jones Sustainability Index Europe and STOXX® Global Climate Change Leaders, in recognition of its performance in corporate social responsibility (CSR). Rexel is on the CDP "Climate A List".

For more information, visit Rexel's web site at www.rexel.com/en

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GLOSSARY

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

* Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cable prices and before amortization of purchase price allocation.

GROUP

Constant and adjusted basis (€m)	Q3 2019	Q3 2020	Change	YTD 2019	YTD 2020	Change
Sales	3,283.5	3,157.8	-3.8%	10,033.2	9,203.5	-8.3%
<i>on a constant basis and same days</i>			-4.2%			-8.5%

EUROPE

Constant and adjusted basis (€m)	Q3 2019	Q3 2020	Change	YTD 2019	YTD 2020	Change
Sales	1,777.6	1,793.8	+0.9%	5,418.2	5,125.1	-5.4%
<i>on a constant basis and same days</i>			+0.3%			-6.0%
France	661.8	687.0	+3.8%	2,050.3	1,868.4	-8.9%
<i>on a constant basis and same days</i>			+3.9%			-9.4%
United Kingdom	180.0	151.8	-15.7%	557.2	448.9	-19.4%
<i>on a constant basis and same days</i>			-17.0%			-20.3%
Germany	162.0	178.7	+10.3%	481.2	511.6	+6.3%
<i>on a constant basis and same days</i>			+9.4%			+5.7%
Scandinavia	228.1	229.5	+0.6%	686.2	716.3	+4.4%
<i>on a constant basis and same days</i>			+0.7%			+3.8%

NORTH AMERICA

Constant and adjusted basis (€m)	Q3 2019	Q3 2020	Change	YTD 2019	YTD 2020	Change
Sales	1,208.1	1,053.9	-12.8%	3,762.9	3,236.7	-14.0%
<i>on a constant basis and same days</i>			-12.8%			-13.7%
United States	934.9	814.3	-12.9%	2,966.2	2,531.7	-14.6%
<i>on a constant basis and same days</i>			-12.9%			-14.2%
Canada	273.2	239.6	-12.3%	796.6	705.0	-11.5%
<i>on a constant basis and same days</i>			-12.3%			-12.0%

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q3 2019	Q3 2020	Change	YTD 2019	YTD 2020	Change
Sales	297.7	310.1	+4.2%	852.2	841.6	-1.2%
<i>on a constant basis and same days</i>			+3.4%			-1.5%
China	118.4	134.4	+13.5%	351.0	356.9	+1.7%
<i>on a constant basis and same days</i>			+11.2%			+1.5%
Australia	127.6	126.2	-1.1%	355.3	358.9	+1.0%
<i>on a constant basis and same days</i>			-1.2%			+0.1%
New Zealand	30.7	27.4	-10.7%	83.8	71.3	-14.8%
<i>on a constant basis and same days</i>			-10.7%			-15.3%

Appendix 2: Calendar, scope and currency effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.14	USD
1 €	=	1.53	CAD
1 €	=	1.66	AUD
1 €	=	0.89	GBP

and based on acquisitions/divestments to date, 2019 sales should take into account the following estimated impacts to be comparable to 2020 :

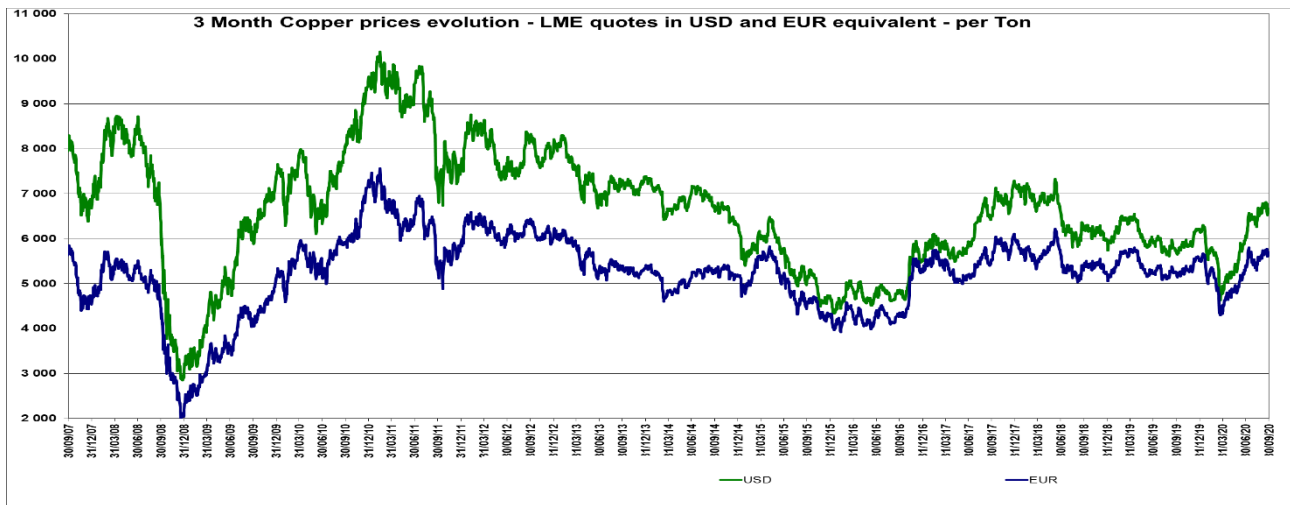
	Q1 actual	Q2 actual	Q3 actual	Q4e	FYe
Scope effect at Group level	(20.5)	(65.0)	(58.7)	(55.1)	(201.0)
<i>as% of 2019 sales</i>	-0.6%	-1.9%	-1.7%	-1.6%	-1.5%
Currency effect at Group level	29.8	6.0	(80.0)	(83.4)	(127.7)
<i>as% of 2019 sales</i>	0.9%	0.2%	-2.3%	-2.4%	-0.9%
Calendar effect at Group level	0.3%	0.0%	0.4%	1.6%	0.6%
Europe	1.2%	0.1%	0.6%	1.3%	0.8%
USA	-1.5%	0.0%	0.0%	3.4%	0.4%
Canada	1.6%	0.0%	0.0%	0.0%	0.4%
North America	-0.9%	0.0%	0.0%	2.6%	0.4%
Asia	-1.5%	-0.7%	1.7%	-1.2%	-0.5%
Pacific	1.6%	1.0%	0.0%	-0.2%	0.6%
Asia-Pacific	-0.1%	0.2%	0.8%	-0.7%	0.1%

Appendix 3: Analysis of change in revenues (€m)

Q3	North			Group
	Europe	America	Asia-Pacific	
Reported sales 2019	1,780.8	1,335.2	306.2	3,422.2
+/- Net currency effect	0.0%	-5.4%	-2.8%	-2.3%
+/- Net scope effect	-0.2%	-4.1%	0.0%	-1.7%
= Comparable sales 2019	1,777.6	1,208.1	297.7	3,283.5
+/- Actual-day organic growth, of which:	0.9%	-12.8%	4.2%	-3.8%
<i>Constant-same day excl. copper</i>	0.2%	-13.8%	2.9%	-4.7%
<i>Copper effect</i>	0.1%	1.0%	0.5%	0.5%
Constant-same day incl. copper	0.3%	-12.8%	3.4%	-4.2%
Calendar effect	0.6%	0.0%	0.8%	0.4%
= Reported sales 2020	1,793.8	1,053.9	310.1	3,157.8
YoY change	0.7%	-21.1%	1.3%	-7.7%

YTD	North			Group
	Europe	America	Asia-Pacific	
Reported sales 2019	5,425.7	3,918.9	877.0	10,221.7
+/- Net currency effect	0.0%	-0.5%	-2.8%	-0.4%
+/- Net scope effect	-0.1%	-3.5%	0.0%	-1.4%
= Comparable sales 2019	5,418.2	3,762.9	852.2	10,033.2
+/- Actual-day organic growth, of which:	-5.4%	-14.0%	-1.2%	-8.3%
<i>Constant-same day excl. copper</i>	-5.7%	-13.5%	-1.9%	-8.3%
<i>Copper effect</i>	-0.3%	-0.2%	0.4%	-0.2%
Constant-same day incl. copper	-6.0%	-13.7%	-1.5%	-8.5%
Calendar effect	0.6%	-0.3%	0.3%	0.2%
= Reported sales 2020	5,125.1	3,236.7	841.6	9,203.5
YoY change	-5.5%	-17.4%	-4.0%	-10.0%

Appendix 4: Historical copper price evolution



USD/t	Q1	Q2	Q3	Q4	FY
2018	6,997	6,907	6,139	6,158	6,544
2019	6,219	6,129	5,829	5,916	6,020
2020	5,651	5,389	6,513		
2018 vs. 2017	+20%	+21%	-4%	-10%	+6%
2019 vs. 2018	-11%	-11%	-5%	-4%	-8%
2020 vs. 2019	-9%	-12%	+12%		

€/t	Q1	Q2	Q3	Q4	FY
2018	5,693	5,797	5,279	5,395	5,538
2019	5,476	5,454	5,243	5,343	5,377
2020	5,124	4,889	5,574		
2018 vs. 2017	+4%	+12%	-3%	-7%	+1%
2019 vs. 2018	-4%	-6%	-1%	-1%	-3%
2020 vs. 2019	-6%	-10%	+6%		

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 15% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so-called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Universal Registration Document registered with the French Autorité des Marchés Financiers (AMF) on March 9, 2020 under number D.20-0111, and its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-A01. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Universal Registration Document registered with the AMF on March 9, 2020 under number D.20-0111, its amendment filed with the AMF, on May 11, 2020 under number D. 20-0111-A01, as well as the consolidated financial statements and activity report for the 2019 fiscal year which may be obtained from Rexel's website (www.rexel.com).